MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022 / 2023 (TERM ID 2215)

DBL5614 – PRINCIPLES OF BUSINESS LAW

(For Diploma Students Only)

21 FEBRUARY 2023
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **FOUR (4)** pages with **FOUR (4)** questions.
2. Answer all questions.
3. You are required to cite relevant provisions and case laws.
4. Write all your answers in the Answer Sheets provided.

QUESTION 1

a) Pak Abu and Mak Munah are siblings. They have a few acres of land in Kuala Selangor. One day, they agreed to transfer the land to each other. The price of the land of Pak Abu is worth RM 50,000 while the price of the land of Mak Munah is RM 39,000. Pak Abu and Mak Munah agreed that the difference of RM 11,000 will be paid by Mak Munah's children, Sarah and Hazim. Sarah must pay RM 5,000 while Hazim must pay RM 6,000. Sarah and Hazim agreed to pay the balance on behalf of Mak Munah's. Unfortunately, Hazim failed to pay the balance to Pak Abu. He also claimed that he did not have such an amount of money and he was not related to that transaction. Therefore, Pak Abu wants to claim the balance of payment against Mak Munah.

Based on the situation above, discuss whether Pak Abu can claim the balance of payment against Mak Munah according to Contract Act 1950. (15 marks)

b) Akad Wedding Planner Sdn. Bhd is one of the famous wedding planners in Malaysia. They have successfully planned the wedding and received numerous positive feedback since 2012. Ameena would like to hire Akad Wedding Planner Sdn. Bhd and has signed a contract with them to book the wedding hall in Kuala Terengganu in December 2022. Unfortunately, the wedding hall was hit by a flood due to the monsoon season and heavy rainfall. It is impossible to enforce the wedding ceremony in the hall. Therefore, Ameena would like Akad Wedding Planner Sdn. Bhd to pay the compensation due to the loss and request them to find an available venue for their wedding day.

Based on the situation above, advise whether Akad Wedding Planner Sdn. Bhd shall be liable due to the impossibility according to Contract Act 1950. (10 marks)

[Total: 25 marks]

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QUESTION 2

a) Hana is a baker. She has a small bakery shop named Sweet Tooth in Melaka. Recently, she received an order from her regular customer, Sofea. Sofea ordered one box of brownies, fifty pieces of pavlova, and one whole chocolate indulgence cake. Therefore, Hana would like to restock the baking groceries to her favourite supplier, Yuna Cakes Sdn. Bhd.

She ordered ten packs of Hershey's cocoa powder, five packs of Beryl's dark chocolate coins, ten boxes of Buttercups' butter, and five packs of Enak's icing sugar. A few days later when the supplier delivered the item, she received ten packs of Van Houten's cocoa powder, five packs of Beryl's dark chocolate coins, ten boxes of Anchor's butter, and five packs of Enak's brown sugar. She feels so disappointed as her item is mixed with other goods not included in her order.

Therefore, she would like to reject the whole item and request the Yuna Cakes Sdn. Bhd to deliver the correct goods to her. But Yuna Cakes Sdn. Bhd insists that Hana receive all the goods.

Discuss whether Hana can reject the whole goods according to the Sale of Goods Act 1957. (15 marks)

b) Rosie is a captain of the netball team at Multimedia University. She had suffered from severe eczema and would like to find suitable sports attire. Therefore, she went to Uniqla Sport Shop which sells various sports attire. Rosie informed the salesman that she wanted to get a sports attire that was made of cotton material since she had suffered from eczema. The salesman recommended Rosie to have a sports attire that was made of cotton polyester material and stated that was recommended among the athletes.

One week later, Rosie found out that her skin is itchy, and this caused eczema to appear again. Rosie just realized the sports attire that she bought has triggered eczema again and is not suitable for her condition. Rosie was so disappointed and went back to the shop. The salesman apologized as he was not aware of Rosie's condition and does not know which attire is suitable for eczema.

Based on the situation, advise whether the salesman shall supply the goods that fit Rosie's purpose according to the Sale of Goods Act 1957. (10 marks)

[Total: 25 marks]

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QUESTION 3

Ariel purchased a Perodua Myvi car in May 2021. He had signed a hire purchase agreement with MyBank Bhd. His brother, Amran has signed the hire purchase agreement as a guarantor. Ariel had 2 successive default monthly installments. Therefore, they had served the 4th schedule notice to Ariel. Unfortunately, Ariel failed to pay the arrears within 21 days of service of the 4th schedule notice. A few days later, the agent from Bank Serba Boleh Bhd came to repossess the car from him. Ariel insisted and denied the bank's right. He stated that he is the rightful owner of the car, and that he will pay the default within one month.

a) Discuss whether MyBank Bhd has the right to repossess the car after the lapse of 21 days of service of 4th schedule notice according to the Hire Purchase Act 1967. (10 marks)

b) Advise Amran on the followings:

(i) Liability as a guarantor (2 marks)

(ii) Right of a guarantor against the owner (8 marks)

(iii) Right of a guarantor against the hirer. (5 marks)

[Total: 25 marks]

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QUESTION 4

a) Belle Skincare Sdn. Bhd is one of the local skincare in Malaysia. Recently they have opened the registration for the agent around Malaysia. Raissa, a university student interested to be an agent of the brand. She has used the products for two years and she is satisfied with the outcome of the products. She believes that she can earn a passive income by becoming an agent of the brand. According to the agreement between Belle Skincare Sdn. Bhd and the agent, the agent cannot simply increase or decrease the price of all the products. The agent must follow the price stated by Belle Skincare Sdn. Bhd.

Raissa wants to ensure that she makes a lot of sales and wants to get the extra reward from Belle Skincare Sdn. Bhd. Therefore, she had secretly given a ten percent discount to her customers without permission from Belle Skincare Sdn. Bhd. Unfortunately, the other agent had filed a complaint against Raissa. Belle Skincare Sdn. Bhd would like to take legal action against Raissa.

Advise whether Raissa has breached her duties to the principal according to Contract Act 1950. (15 marks)

b) State the followings:

(i) **FIVE (5)** termination of agency by operation of law. (5 marks)

(ii) **FIVE (5)** ways to form agency relationship. (5 marks)

[Total: 25 marks]

End of Paper